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THE THEORY OF THE LEISURE CLASS.¹

As a contribution to the general theory of sociology Dr. Veblen's *Theory of the Leisure Class* requires no other commendation for its scholarly performance than that which a casual reading of the work readily inspires. Its highly original character makes any abridgment of it exceedingly difficult and inadequate, and such an abridgment cannot be even attempted here. For those familiar with the author's other publications, it is needless to add that his analysis of social conventions has been fearless and accurate. The following pages, however, are devoted to a discussion of certain points of view in which the author seems to the writer to have taken an incomplete survey of the facts, or to have allowed his interpretation of facts to be influenced by personal animus. It is in the entire confidence that reference to the work itself will correct any misconceptions to which the criticisms here offered may give rise that these pages are written.

¹ The *Theory of the Leisure Class*: An economic study in the evolution of institutions. By THORSTEIN B. VEBLEN. The Macmillan Company, 1899. 8vo. pp. vi + 400.

Of the author's ethnological generalizations and psychological speculation concerning primitive stages of civilization it may be remarked in passing that they are not altogether convincing, and that the attempt to read modern psychology into primitive conditions conduces to a somewhat mystical interpretation of historical phenomena. A psychological reconstruction of primitive society seldom serves any other purpose than to arouse suspicions, even where conclusions are themselves amply verified on other grounds, and it is a constant disappointment to find theses of sociological consequence based upon a specious selection of historical evidence. The "sense of scientific fitness"—to quote from the author's own preface—is never "offended by recourse to homely facts;" rather it is offended, if at all, by any recourse to introspective mysticism in handling sociological data.

The *Theory of the Leisure Class* bears upon economic theory in general chiefly through its conception of the motives which actuate men in their consumption of goods and services. These motives—which are conceived to actuate all consumers, not those of the leisure class alone—have their origin in the desire to create invidious distinctions. "Conspicuous consumption of valuable goods," writes the author, "is a means of reputability to the gentleman of leisure." And again: "The basis on which good repute in any highly organized industrial community ultimately rests is pecuniary strength; and the means of showing pecuniary strength, and so of gaining or retaining a good name are leisure and a conspicuous consumption of goods. . . . The choice between them is a question of advertising expediency." Æsthetic and utilitarian judgments are all of them modified into accordance with the "canon of conspicuous waste" of time and services, or of goods. The requirements of beauty and respectability do not necessarily coincide, and where they do not that "beauty which is not accompanied by the accredited marks of good repute is not accepted." An instance of the æsthetic worth of evidences of costliness is found in the "appreciable uplifting and mellowing effect upon the worshiper's frame of mind," of "the expensive splendor of the house of worship."

One other citation must suffice to illustrate the author's general theory of economic consumption: "We all feel," he says, "sincerely and without misgiving, that we are the more lifted up in spirit for having, even in the privacy of our own household, eaten our daily meal by the help of hand-wrought silver utensils, from hand-painted china (often of dubious artistic value) laid on high-priced table linen. Any retrogression from the standard of living which we are accustomed to regard as worthy in this respect is felt to be a grievous violation of our human dignity. So, also, for the last dozen years, candles have been a more pleasing source of light than any other. Candle-light is now softer, less distressing to well-bred eyes than oil, gas, or electric light. The same could not have been said thirty years ago, when candles were, or recently had been, the cheapest available light for domestic use."

In the mind of the consumer the requirement of conspicuously wasteful consumption is, of course, not naïvely conceived as such, but rather as "a wish to conform to established usage, to avoid unfavorable notice and comment, to live up to the accepted canons of decency in the kind, amount, and grade of goods consumed, as well as in the decorous employment of his time and effort." Whether any given expenditure is of this wasteful sort or not must be determined independently of the consumer's own tastes. The test is not whether the consumption satisfies him, since his sophisticated tastes are gratified by all forms of conspicuous waste, but whether the consumption "serves to enhance human life on the whole—whether it furthers the life process."

The theory thus formulates itself upon a philosophic conception of economic waste which takes the form of a conspicuous devotion of both time and goods to the creation of invidious distinction. Expenditure and consumption devoted to that end, since it does not "enhance life" nor serve the "generically human," is "wasted"—wasted because it does not "approve itself under the test of impersonal usefulness—usefulness as seen from the point of view of the generically human." Such

expenditure does not appear to the individual consumer to be waste, since the expenditure "has utility for him by virtue of his preference."

Now, without undertaking here any criticism of the moral and æsthetic judgments necessarily involved in the classifications of specific expenditures as waste, and of others as not waste — classifications which the author does not hesitate to make with considerable freedom throughout the course of his exposition — it is to be pointed out in this connection that whether the individual's tastes are to be accepted as ultimately determining or not, unfortunately the "generically human," upon which the author would rely, is an imaginary and fictitious phantom which has no existence at all apart from the individual conceiving it; and further, that there is no such thing as "impersonal usefulness." That is "useful" which ministers to our wants individually and severally, and an impersonal serving of the "generically human" is utterly inconceivable. That which any individual sets up to be the "generically human" proves on analysis to be so only on the assumption that all other human beings exactly resemble the one who undertakes to declare what the "generically human" is. This assumption is obviously unwarranted, but even if it were true, it would still be true that the "generically human" was an individual conception; and the declaration of one individual would carry no *ex cathedra* weight of authority over other similar declarations, since the coincidence of the individual conception with the truly generic would be in any event a most phenomenally accidental occurrence, susceptible of no verification whatever. That which appears to the individual to be "generically human," on analysis, proves to be that which ministers directly or indirectly to his individual propensities which are the only human qualities he knows, and these he posits of society in general when he undertakes to construct the "generically human." If they change, his conception of the "generically human" is bound to change too. For the child this conception is something quite different from what it becomes in the man or woman, and from man to man it differs incalculably.

All this has a direct bearing upon the theory of waste developed with reference to economic consumption.

In the philosophical sense it may be admitted that that which serves the "generically human" is alone ultimately useful and serviceable; but when it is borne in mind that the "generically human" materializes and manifests itself only in individual wants and propensities, for all practical purposes our category of utility—namely, that that which serves the "generically human" is really useful, and, therefore, not waste—reduces itself to the pathetically blind statement that that which satisfies really satisfies, therefore it is not unsatisfactory.

The test of waste cannot be "impersonal usefulness;" it must always be personal usefulness, and the denial of generic usefulness to that which is personally useful, is arbitrary and gratuitous. The economist accepts individual wants uncritically, and considers that expenditure economic which is directed to their satisfaction, that wasted which is not so directed. To take one of our author's own examples, the economist cannot consider labor expended in erecting costly church edifices "wasted," so long as those edifices satisfy the devotional sense of the community. The moral philosopher may or may not, but the economist may not pass judgment. The economist may point out that more shoes would be produced if the labor were employed in setting up a factory, but so long as the community prefers the edifice to more shoes, labor expended on the church edifice cannot be considered in any sense wasted. That devotional sense is just as generically human as the sense of cold, and the desire for warmth and nourishment.

To return to that feature of human nature which appears to dominate the philosophy of the *Theory of the Leisure Class*, namely, the spirit of emulation, if that is a human quality its satisfaction is satisfaction of the generically human. The more universal and dominant the spirit of emulation is, the more essentially generic it is in its character. Furthermore, if it be a fundamental incentive to human action, it must be regarded as a quality evolved in the progress of civilization, and one which stands for a real

force in that progress. In fact the author's "desire to create invidious distinctions" comes to identify itself with the desire to live; and it is directly associated with the desire to excel, since the only really "invidious" distinction is that which denotes degrees of excellence. Distinctions which have no foundation in excellence are not "invidious." If this seems inconsistent with common sense, which assures us that many distinctions are as a matter of fact "invidious" and "honorific," which are in no sense related to excellence—and if the appearance of excellence seems to be sought, not the excellence itself—it may be pointed out that the same is true of the most fundamental instincts of human nature; even the appetites for food and drink, abnormally developed, cease to represent real physical needs. With reference to the spirit of pecuniary emulation it must be borne in mind that the legitimate and reputable use of wealth is that use which does "enhance" life. So far as the spirit of emulation controls the unproductive consumption of the community it directs that consumption along lines which elicit society's approval, and this approval cannot be consistently extended, and is not in the long run, to those forms of expenditure which are actuated by motives of display alone.

Let us look more closely into this philosophy of waste. "Many items of customary expenditure," writes the author, "prove on analysis to be almost purely wasteful, and they are, therefore, honorific only [*i. e.*, minister to our vanity only, are "invidious"], but after they have once been incorporated into the scale of decent consumption and so have become an integral part of one's scheme of life, it is quite as hard to give up these as it is to give up many items that conduce directly to one's physical comfort, or even that may be necessary to life and health. That is to say, the conspicuously wasteful honorific expenditure that confers spiritual well-being may become more indispensable than much of that expenditure which ministers to the 'lower' wants of physical well-being or sustenance. It is notoriously just as difficult to recede from a 'high' standard of living as it is to lower a standard already relatively low;

although in the former case the difficulty is a moral one, while in the latter it may involve a material deduction from the physical comforts of life."

We have in this passage an instance at once of unscientific terminology, and of an interesting psychological analysis of economic phenomena. The unsophisticated reader will be somewhat confused by the selection of epithets—confused to find those expenditures which are held to be, by those who make them, as necessary as "life and health," expenditures which confer "moral" and "spiritual well-being," and form an integral part of a "decent" standard of living, in the same passage characterized as "purely" and "conspicuously wasteful." The explanation is that terms are used in a highly technical sense, and require a special interpretation. So interpreted, it would appear that the "spiritual well-being," since it is that well-being conferred by "conspicuously wasteful honorific expenditure," is something very near akin to vanity. Our vanity is satisfied by invidiously honorific expenditure; that is, by expenditure which is made with the sole ultimate motive of creating a distinction between him who spends and him who has nothing to spend—the silk hat, the patent-leather shoe, the starched linen, do not minister to our comfort, to the unfolding of life; they minister to our vanity, because they are evidence of many honorific facts. The silk hat and the patent-leather shoe are evidences that we are not engaged in any sort of manual labor, since such labor would be impossible in such attire; and further, they are evidence that we have sufficient resources, as well as leisure, to buy and consume these articles. The same is true of most commodities. In a greater or less degree most articles consumed minister to our "spiritual well-being" by giving conspicuous evidence, "before the eyes of others," of waste, of needless expenditure, and of economic futility. "Goods are humilific, and therefore unattractive, if they show too thrifty an adaptation to the mechanical end sought, and do not include a margin of expensiveness on which to rest a complacent invidious comparison." The machine-worked silver service, even if it be a

perfect reproduction of a hand-chased service, does not appeal to our æsthetic sense of the beautiful, as does the hand-chased service, which, indeed, possesses an additional æsthetic charm if the hand-work be a little bunglingly done, and so not easily mistaken for machine work. Our sense of the æsthetically beautiful is trained to reckon in labor cost as a factor in its æsthetic judgments.

It is not at all to be inferred, of course, from the above passage that an article which "conduces to our physical comfort" may not at the same time be invidiously "honorific" and satisfying to our "spiritual well-being" or vanity. Fruit and berries out of season are probably good examples of commodities which are invidiously honorific and so satisfying to our vanity, while they do at the same time minister to our physical satisfaction. Many commodities of practical utility carry this æsthetic aroma of costliness. The æsthetic sense is sensitive to the costliness of goods, and attaches greater æsthetic worth to the costly article by virtue of its evidence of costliness alone.

But does the conclusion to which the author comes necessarily follow—the conclusion, namely, that this added worth arises ultimately from a desire on the part of the consumer to create an invidious distinction? The question is not whether there may not be in any community individuals actuated by such a desire, nor whether some expenditures incurred by all individuals are not of this nature, but whether the æsthetic appreciation of costliness necessarily finds its cultural origin in the utility of such costliness for creating invidious distinctions. Such an explanation, if conceivably correct, is at least not at all inevitable. Articles of great utility are commonly the product of a considerable expenditure of labor, so that an æsthetic sensitiveness to cost may very well have developed by association—from the fact that things of lasting worth are commonly costly may have developed by association the notion that things costly are of lasting worth, without the entrance of the invidious element into our æsthetic judgment at all. In Dr. Veblen's philosophy, however, all our judgments are based on invidiousness. That is

"decent" which creates an invidious distinction. It is not the decency which creates the distinction, but the distinction creates the decency, or at least maintains our conception of what is decent. Throughout all, it is the "quasi-sacerdotal office" of the "wealthy leisure class" to determine what the "community shall accept as decent and honorific." Even they are under the impelling force of the canon of invidious waste, for "it is especially to be noted that however high its authority and however true to the fundamental requirements of reputability [we are not told what these "fundamental requirements" are] it may have been at its inception, a specific formal observance can, under no circumstances, maintain itself in force if, with the lapse of time, or in its transmission to a lower pecuniary class, it is found to run counter to the ultimate ground of decency among civilized peoples, namely, serviceability for the purpose of an invidious comparison in pecuniary success." One is accustomed to regard as the "ultimate ground of decency" some such quality as cleanliness for its own sake, or courteous manners and command of good English, as means of facilitating social intercourse, but even these, along with all refinements of tasteful dress, are reputable only as means of creating invidious distinctions. Good manners are evidence of leisure in which to cultivate the amenities of life—"the abiding test of good breeding is the requirement of a substantial and patent waste of time;" and reputable speech is valuable as evidence of time spent in acquiring facility and correctness of diction.

The extent to which this interpretation of good repute is carried may be inferred from the following comments upon the reputable use of language. "A discriminating avoidance of neologisms," says our author, "is honorific, not only because it argues that time has been wasted in acquiring the obsolescent habit of speech, but also as showing that the speaker has from infancy habitually associated with persons who have been familiar with the obsolescent idiom. It thereby goes to show his leisure class antecedents. Great purity of speech is *prima facie* evidence of several successive lives spent in other than vulgarly useful occupations."

Correct use of English, therefore, is reputable since it conforms to "leisure class standards of virtue—archaism and waste." If any further step is required to complete a *reductio ad absurdum*, the reasoning may be carried on one step and the development of any power of speech at all set down as having probably resulted from the effort of primitive man to create an invidious distinction between himself and the other beasts who could not talk—not from his efforts to communicate with his kind.

One other application of the theory is instructive and will suffice to show how universally applicable it is. The wearing of the corset, according to the author, came into vogue and it is still worn as a means of incapacitating women for performing any sort of useful labor. The physical deformity caused by the constriction of the waist is an insignia of idleness and so an invidious distinction against those who have to labor and cannot regularly display the æsthetic charm of incapacity. The corset thus becomes an instrument of snobbery, employed by those who have risen high enough to afford the sacrifice of their personal efficiency to their personal vanity. For those classes so conspicuously wealthy that no aspersion can attach to them of toiling, this article of attire has lost much of its serviceability and is being renounced. It is, therefore, worn only by those who feel the need of an insignia of reputable freedom from manual labor. The full import of this illustration can be appreciated only in connection with the author's general theory of woman's economic function, which is the conspicuous performance of leisure for the good repute of her lord and master, *i. e.*, her husband.

Such attenuations of the theory, however, should not blind one to the truth upon which it is built—a truth seldom brought to the surface of our consciousness—that men living in society to a much greater extent than they can possibly realize, are conventional in their conceptions, and substitute for their own naïve judgments, the judgments of society. If it cannot be admitted that the ultimate ground of these conventions is in every instance

pecuniarily invidious serviceability, it is nevertheless true that they are too often uncritically accepted and acted upon and that they tend to survive the conditions which gave rise to them. If it be asked why men are so conventional, so willing to abide by social prescriptions, the explanation probably lies in the prosaic fact that the average man, and men in general, are much less original and spontaneous, than they take credit to themselves for being. The problem of living, to a much greater extent than is commonly realized, is conventionally solved for each individual living in the community. He acts in strict accordance with the moral standards developed by the society in which he lives, and seldom assumes the responsibility of undertaking to define for himself the end toward which his activities should be directed. Even if men were much more disposed to originality than they are, individual judgment could weigh but little against the experience of society which finds expression in social convention. In all civilized communities social life naturally fosters conventionality. Conformity is the safeguard of social institutions and of social progress, and is what makes society a state preferable to solitude. It is safe to say that most men would choose to live the ethically high, in preference to the conventionally correct life—where the two are inconsistent with one another—if they were competent to see and free to choose; but they are not. The hungry boy, writes Spinoza, thinks that he will eat, and the angry man that he will have vengeance without appreciating that they are not free to think otherwise than they do. It is so with social conventions. We think we will wear certain clothes, but we are to only a very limited extent free to choose other clothes—free for example to wear Greek costumes, or to dress negligee on ceremonious occasions. We think we choose to live as we do without thinking at all critically how we live.

In the *Theory of the Leisure Class* this quality of conventionality and conservatism holds considerable prominence, but it is here conceived to be a leisure-class quality. A few brief citations may be made to show how the theory works itself out in

this respect: Dr. Veblen asserts that "the office of the leisure class [*i. e.*, "wealthy class"—the phrases are used interchangeably] in social evolution is to retard the movement and to conserve what is obsolescent." . . . "The abjectly poor and all those persons whose energies are entirely absorbed by the struggle for daily sustenance are conservative because they cannot afford the effort of taking thought for the day after tomorrow; just as the highly prosperous are conservative because they have small occasion to be discontented with the situation as it stands today. From this proposition it follows that the institution of a leisure class acts to make the lower classes conservative by withdrawing from them as much as it may of the means of sustenance, and so reducing their consumption, and consequently their available energy, to such a point as to make them incapable of the effort required for the learning and adoption of new habits of thought. The accumulation of wealth at the upper end of the pecuniary scale implies privation at the lower end of the scale."

Again: "The institution of a leisure class hinders cultural development immediately (1) by the inertia proper to the class itself, and (2) through its prescriptive example of conspicuous waste and of conservatism, and indirectly through that system of unequal distribution of wealth and sustenance on which the institution rests.

"To this is to be added that the leisure class has also a material interest in leaving things as they are. . . .

"All this, of course, has nothing to say in way of eulogy or deprecation of the office of the leisure class. . . . The inhibition which it exercises may be salutary or the reverse. Whether it is the one or the other in any given case is a question of casuistry rather than of general theory."

The closing statement in the above passages, that the general theory is not concerned with special cases, in which the inhibitory influence exerted by the leisure class may be "salutary or the reverse," calls for some comment, since it is just these special cases which determine the truth or falsity of the general theory itself. This is so because any "salutary" inhibition or

conservatism is not in the least inhibition of social "progress" and "evolution," but on the contrary is the very condition and *sine qua non* of such progress. In "cultural development" the selection of the line of progress involves necessarily rejection of all diverging lines. Regarded from the point of view of all those who would lead society away from the line of "cultural development," not only all those who favor that development are "conservative," "inhibitory," and the reverse of "salutary," but all members who do not happen to look with favor upon the particular scheme of social salvation proposed are inhibitors. Theoretically there is but one right course of social evolution, while the number of wrong courses is infinite. If human experience counts for anything, "social evolution" depends upon the conservation of institutions developed in the past and the more perfect adjustment of these institutions to the accomplishment of human purposes. The class of progress is, therefore, bound to be conservative in every other respect than that of true progress.

Obviously, from the passages quoted above, it is not this sort of conservatism which is attributed to the wealthy class. Theirs is a conservatism involving inhibition of *all* change, including progress itself: a conservatism which says that "whatever is, is right;" "whereas," writes Dr. Veblen, "the law of natural selection, as applied to human institutions, gives the axiom: 'whatever is, is wrong.'" ["Right" and "wrong," he adds, "are, of course, here used without conveying any reflection as to what ought or ought not to be," are "morally colorless"!] Now, as a matter of fact, whatever is, is clearly, at one and the same time, both right and wrong. Those institutions and habits of thought which have come down to the present generation from the past represent past progress; they are the evolutionary product of man's reaction upon his environment throughout those ages which have step by step developed man out of the ape. Those institutions represent the experience, not of one individual, but of the human race, not for a lifetime, but throughout a past period of indefinite duration. They are, therefore, worthy of conservation against innovation. They are "right" with

reference to all institutions and habits of thought less perfectly adapted to human environment, and "wrong" with reference to that perfect adaptation toward which society strives, which it can never attain. Whatever is, is imperfect, and therefore wrong, but it may nevertheless be the best that society knows today, and it is the product of a wider range of human experience than any single individual can have.

Furthermore, it is absurd to say of the wealthy leisure class that "it hinders cultural development," that "in social evolution" it "retards movement," and "conserves what is obsolescent," and that "all this" is not deprecatory nor has any bearing upon special cases. If the "theory" is not based upon special cases, it has no relation to fact whatever. A *general* theory must be *generally* true of special cases, or it is a false theory.

Turning now to another suggestion found in the above quotation and offered as another ground of leisure-class conservatism, it is pointed out that the "leisure class has also a material interest in leaving things as they are." This material interest lies in the ownership of the vested interest which the class represents. If this is intended to call attention to the fact that the wealth holders have more at stake than the non-propertied classes, it is a truism, since the non-propertied classes having nothing to lose are more likely to favor innovation, especially where innovation undertakes a more or less open confiscation of property by those whose claim to it lies in the fact that they want or need it, not that they have produced it. But if the wealth holders have material interest in "leaving things as they are," they have a greater material interest in making things better than they are. A railroad corporation has a material interest in preserving its railroad from destruction, in leaving it as it is, but the corporation has a greater material interest in making the railroad more efficient in service, and economical in management than it is. It is conservative against destruction, not against progress. The "inertia" of the wealth holders is inertia against the multifarious means of wealth dissipation, and it is largely because of their capacity for resisting schemes

for wealth dissipation that society enjoys any accumulation of wealth whatever. The ability to conserve wealth is less common than the ability to earn it.

We come finally to the assertion that "the accumulation of wealth at the upper end of the pecuniary scale implies privation at the lower end of the scale," and so induces a conservatism among those lower ranks which is based upon penury; and is a form of debility and mental exhaustion—a sort of social pathology. History, it may be observed, does not bear out the assertion that the abject classes are conservative in spirit. Whenever they have risen into dominance they have shown themselves to be quite the opposite, and ordinarily the brief duration of their dominance has been due to the want of that very conservatism here attributed to them. Neither the prescriptive power of the wealthy classes, nor the educative influence of want and penury, are sufficient to induce conservatism here.

But it is not by any means its direct bearing upon the argument in hand that gives to the above statement its chief interest. Chief interest, of course, attaches to its bearing upon the property rights of wealth holders—upon the institution of private property. We are here told that "accumulation of wealth at the upper end of the pecuniary scale implies privation at the lower end of the scale." This statement, introduced into the argument as an aside, is of such far-reaching import as to warrant careful consideration of it. If it can be substantiated it is in itself probably a sufficient condemnation of the institution of private ownership.

There is, of course, a sense in which it is true that accumulation at one end of the scale implies privation at the other; this is in the very simple sense that, if the wealth accumulated at the one end were distributed at the other end, there would be less privation there—at least immediately after the distribution. In this sense the industrious man deprives the lazy man of his livelihood, since the lazy man would have more, and suffer less, if he could pool his earnings with the earnings of the industrious man and share equally; in the same way the temperate man deprives the intemperate, the efficient the inefficient.

It is, however, clearly not in this naïve sense that the accumulation of wealth at one end of the scale is conceived to occasion privation at the other. The accumulation at one end is conceived to be *at the expense of* the other end in the sense that the other end would have more if it had its just deserts. The accumulation, in other words, is not a reward of service performed by those who hold wealth, but a sort of confiscation of goods, which in justice are felt to belong to the lower end. If the accumulation is a reward for service performed, nobody suffers ; since as much has been given as is accumulated in wealth. The direct inference, therefore, is that wealth is gotten and nothing given in return for it, and the query naturally presents itself to the mind how it all comes about, and what it is which enables any individual, not to say any numerous social class, to get and retain possession of the community's wealth without giving any equivalent for it. What is it that impels society to deliver over into the hands of a select few the management of its industries and the disposition of its wealth ? Nothing at all ! This, it is implied, society does. Without any intention "to depreciate" the economic function of the propertied class, or of the "captains of industry," we are told that "their office is of a parasitic character, and their interest is to divert what substance they may to their own use, and to retain whatever is under their hand. The conventions of the business world have grown up under the selective surveillance of this principle of predation and parasitism. They are conventions of ownership, derivatives, more or less remote, of the ancient predatory culture."

Passing over the absolutely irreconcilable introductory observation that all this is not deprecatory, what, it may be asked, is the vital principle back of this "parasitism" which enables it to survive and resist all efforts of society to be rid of it ? No other answer is conceivable than that it is the same impelling circumstance that forces society in general to pay for what it gets ; to pay wages for labor which it exacts. The laborer is a parasite, too, since he withdraws from society's store of goods and devotes to his own personal consumption the amount of his wages—high or

low. The wages of the "captains of industry" are high, and if it be asked why are they high, the answer lies in the obvious fact that society pays these high wages for the same reason that it pays any wages at all. It pays them in order to secure services which it obtains in return. It pays the least which it can pay and still secure those services, and there is no more reason for believing the services are not worth the wages paid than there is for thinking any labor is not worth the hire which it earns. There is the same reason for thinking the bank president or the "financier," or the "captain of industry" really earns his \$25,000 a year, as there is for thinking the man who digs in the street earns his \$1.50 a day. The reason for thinking so in either case is that society pays the wage.

Accumulated wealth is, therefore, accumulated earnings, not accumulated confiscations of the earnings of others. On the contrary, the rise in wages during the last quarter century is to a very considerable extent, if not altogether, due to the confiscation by the community in general of the increment to production and labor efficiency which has resulted from improvements, inventions, and the industrial genius of a few; and, it may be added, that the efficiency of labor in all times—more particularly its efficiency today—depends entirely upon the efficiency and genius of the industrial captain, who comes to be in the natural course of events associated with the wealth holders in the community. Even if he transmits his earnings to unthrifty children, society does not lose anything which it ever possessed. It simply does not get possession of something to which the inheritors seem to have a less clear title than the father had.

There is one other attitude of mind which appears to pervade the entire discussion of the *Theory of the Leisure Class*. It is consistently assumed throughout the discussion that the conditions of human environment are constantly changing, and that social evolution consists in social adjustment to this changing environment. We are told, for example, that "men tend to revert or breed true, more or less closely, to one or another of certain types of human nature that have in their main features been

fixed in approximate conformity to a situation in the past which differed from the situation of today." Again, it is stated that the ethnic types which constitute societies in occidental populations are "variants of the primitive racial types. They have suffered some alteration, and have attained some degree of fixity in their altered form under the discipline of the barbarian culture."

The contention is that under a protracted period of barbarism primitive races of man underwent a process of selection and adaptation to their environment; that that environment has changed, leaving the present ethnic types which go to make up civilized communities not perfectly adjusted to their new environment. This histrionic conception of evolution, which conceives it to take place in stages, is apt to mislead. The inference which seems warranted from the above quotation is that man succeeded in adjusting himself to barbarian conditions of life, and that a change in those conditions threw that adjustment out. Now many of the conditions in man's environment are practically fixed. Climate and soil make up pretty much all there is at the basis of that environment, and these change but little. Man's effort to adjust himself to his environment might be more correctly stated to be his effort under the impelling force of the "instinct of workmanship," to get all he can out of his environment. The barbarian extracted less out of this relatively fixed environment than his culturally more advanced descendants, and for that reason his "culture" yielded to a culture economically more efficient. The word culture itself suggests the character of social evolution. It is a change not of environment, but of "culture;" that is, of the method of working the environment. There is no point at which barbaric culture leaves off and another culture begins. Every generation receives the cultural methods of the immediately preceding generation, and modifies them into completer harmony with an unchanging but indefinitely complex environment.

The economic development of today is, in so far as it differs from earlier economic conditions, a new culture of the environment gradually evolved by society, because it is a more efficient

culture than those gradually displaced. Those adopting the new culture have benefited by its greater efficiency, and have worsted those clinging to less efficient methods, who are bound to lose prestige and position as industrial leaders. The possession of wealth has become an evidence of economic efficiency and facility in apprehension and adoption of more productive exploitation of labor and environment.

Such considerations as these are directly counter to much of the philosophy elaborated in the *Theory of the Leisure Class*, where it is repeatedly asserted that "the tendency of the pecuniary life [*i. e.*, of the life led by the holders of wealth who are engaged in operations which involve acquisition and ownership, not the production of wealth] is, in a general way, to conserve the barbarian temperament, but with the substitution of fraud and prudence, or administrative ability [here apparently used as a synonymous term comprehending both "fraud" and "prudence"] in the place of that predilection for physical damage that characterizes the early barbarian. This substitution of chicane in place of devastation takes place only in an uncertain degree. . . ." "The aristocratic and the bourgeois virtues—that is to say, the destructive and pecuniary traits—should be found chiefly among the upper classes, and the industrial virtues—that is to say, the peaceable traits—chiefly among the classes given to mechanical industry." "Pecuniary efficiency"—that is, efficiency for acquiring and holding wealth—is stated to be "incompatible with industrial efficiency," and the "economic man" to be "useless for purposes of modern industry," because he is "self-regarding" and "prudent."

The underlying assumption upon which the exposition rests, is the assumption that the acquisition of wealth is a "predatory" and not an industrial process; that property is "booty," not product. As no line of argument leads up to this conclusion, no refutation is called for of an assumption so obviously inconsistent with the facts. Wealth is the product of industry, apportioned among the agents of its production, as nearly as may be in proportion to the value of services by them severally

executed. The covert arraignment of social institutions implied in the above characterization and in such assertions as constantly recur—assertions, for example, that the “pecuniary” aptitude, that is to say, the aptitude for acquiring and holding wealth, “may be called the invidious or self-regarding,” while the “industrial” aptitude, which must mean something else than industrial efficiency as ordinarily conceived, and something very like technical skill, is “non-invidious and economical”—is certainly unjustified by the argument set forth in the *Theory of the Leisure Class*, and is a distinction which cannot be maintained in fact.

It is not to be supposed, however, that the above statement is anything more than a bare outline of the theory developed, which indeed, is so elaborately modified as to leave the reader in some doubt as to real intent of the author. These modifications go to the extent of asserting even that “there is at present no broad distinction in this respect [*i. e.*, in respect to the “barbarian temperament” and “pecuniary traits” of character] between the leisure-class character and the character of the common run of the population.” If this be true what becomes, it may be asked, of those nice distinctions and analyses already adverted to? Does the fact that they are not true make them any the less dangerous for propagandic purposes?

It is urged that the similarity of temperament between the upper and lower classes is “in large part due to the prescriptive example of the leisure class and to the popular acceptance of those broad principles of conspicuous waste and pecuniary emulation on which the institution of a leisure class rests. The institution acts to lower the industrial efficiency of the community and retard the adaptation of human nature to the exigencies of modern industrial life.” But the assumption that the temperament of the lower classes is prescribed by the upper class, if warranted at all, is true only in the sense that the community as a whole is disposed to follow the example of its more efficient and successful members in achieving economic ends; this is the sort of “prescription” which is set up by every example of excellence.

Attention has already been directed to the unreal character of the distinction implied in the employment of such terms as "industrial" and "pecuniary" to characterize the functions respectively of the lower and of the leisure classes. This distinction is clearly insinuated in such statements as the following: "The leisure class lives by the industrial community rather than in it. Its relations to industry are of a pecuniary rather than of an industrial kind. Admission to the class is gained by exercise of the pecuniary aptitudes—aptitudes for acquisition rather than for serviceability." The leisure class is set over against the "lower classes whose ordinary means of acquiring goods is productive labor," as the class engaged in the "game of ownership," and the origin of the leisure class is associated with the beginnings of ownership and the institution of private property. "In the sequence of cultural evolution," we are told, "the emergence of a leisure class coincides with the beginnings of ownership. This is necessarily so, for these two institutions result from the same set of economic forces. In the inchoate phase of the development they are but different aspects of the same general facts of social structure. . . . The early differentiation out of which the distinction between a leisure and a working class arises is a division maintained between men's and women's work in the lower stages of barbarism. Likewise the earliest form of ownership is an ownership of the women by the able-bodied men of the community . . . of the woman by the man."

From its first emergence in the cultural scale the leisure class has occupied itself with ownership of property and "exploit." Ownership of property and exploitation of the non-propertied classes constitute its social function. Originally this exploitation took the form of physical dominance and chattel slavery, depending upon the physical ableness of body, upon that prowess and ferocity which go to make the successful hunter and warrior. The methods of acquiring goods during this primitive period called for the exercise of those qualities which were then of real economic service—the hunter supplied the community with food and the warrior with slaves and other property. But with the

cessation of war and the institution of more peaceful methods of producing wealth, these qualities of ferocity and prowess lost their economic worth; they were no longer of economic service—not of service, that is, to the community as a whole, although with some slight modification in character, these qualities still enable the leisure class to get on in the “game of ownership.” That the “game of ownership,” thus set over against “productive labor,” is not a chance epigram, is sufficiently evidenced in the several passages quoted above. The theory of the leisure class is a theory of “acquisition” and exploit, of the class not engaged in productive labor. “Property,” we are told, “set out with being booty held as trophies of the successful raid. . . . With the cultural advance it became more and more a trophy of successes scored in the game of ownership carried on between members of the group under quasi-peaceable methods of nomadic life.”

The accuracy of this epigram as applied to the leisure class, or rather to the class of wealth holders cannot be denied. As a class and individually, obviously they are engaged in the “game of ownership.” But are they peculiar in this respect, and to be so differentiated from the rest of the community?

Let us see whether the author's own psychological generalizations in his chapter on Pecuniary Emulation warrant the conclusions which his argument here seems to require. He is speaking of men in general, of whom he observes that with a few “apparent exceptions” which are “scarcely real exceptions,” “the end sought by accumulation is to rank high in comparison with the rest of the community in point of pecuniary strength. So long as the comparison is distinctly unfavorable to himself, the normal, average individual will live in chronic dissatisfaction with his present lot, and when he has reached what may be called the normal pecuniary standard of the community, or of his class in the community, this chronic dissatisfaction will give place to a restless straining to place a wider and ever-widening pecuniary interval between himself and this average standard.”

There can be no question about Dr. Veblen's own views as here

expressed ; and we are bound to ask if these statements are reconcilable with that which attempts to divide off the leisure class as the class in the community which is engaged in the game of ownership. It will perhaps be urged that, while all classes are disposed enough to enter into the game, only a few possess the requisite means of doing so, and that these few are so enabled to conduct the game, on such advantageous terms—to themselves—as to force out all others. But in what sense are the great majority out of the game? And being so out of the game, how does it happen that they are each and all, with a few pathological exceptions, according to the theory of the leisure class “straining to place a wider and ever-widening pecuniary interval” between themselves and their fellows? Obviously this “straining” is only a euphemism for “playing the game.” The leisure class “play the game of ownership” while the rest of the community individually “strain to place a wider and ever-widening pecuniary interval between themselves and their standard.” There is only one way to place an ever-widening pecuniary interval between one’s self and one’s fellows, and that is by the acquisition and ownership of property. And the two statements, taken in conjunction, if they have any economic significance at all, must mean not that the leisure class is peculiar in the character of the economic ends which it seeks to achieve, nor in the nature of its occupation, but is peculiar in a very different sense from that. It is peculiar in that in playing this game of ownership in which all engage, *its members have succeeded conspicuously.*

This modification is an important one. The leisure class can no longer be conceived to differ from the community “by which” its members live, in its spiritual disposition or character, not, at least, so far as these qualities are indicated in the motives inducing economic performance. The differentiation now rests upon success in achieving what all “strain” to achieve.

It will be well to call attention to the employment in this connection of the word “game,” and to ask what it is that gives to it its peculiar piquancy when applied to the occupation

of the wealthy leisure class. This piquancy will be found to lie in the suggestion of fortuitous chance which the word carries. It would seem to make success for the leisure class dependent in an especial sense upon chance, while the "lower classes" engage in "productive labor" wherein the element of chance does not enter.

If by this element of chance it were intended to designate the greater risks run by the leisure-class players, as contrasted with productive laborers, the employment of the term might be justified. But such is clearly not the writer's intention. In speaking of the "game of ownership" the element of chance connoted is that sort of chance which the gambler takes—it is a game of chance, not of skill, this game of ownership, and the risks assumed are devoid of economic significance. The leisure class gentleman and the lower class delinquent have this in common that they are both gamblers. "The leisure class and the delinquent-class character," we are told, "shows a persistence into adult life of traits that are normal to childhood and youth, and that are likewise normal or habitual to the earlier stages of culture The traits that distinguish the swaggering delinquent and the punctilious gentleman of leisure from the common crowd are, in some measure, marks of an arrested spiritual development. They mark an immature phase, as compared with the stage of development attained by the average of the adults in the modern industrial community." Consistently with this exception of the wealthy leisure-class gentleman, it is urged that success in the game which he plays devolves much upon "chicanery," "fraud," "shrewdness," "unscrupulousness," and "dishonesty."

Here, again, the complete sophistry of the argument lies in the grain of truth which it carries—in the implication that since individual members of the wealthy leisure class resort to chicanery and fraud, therefore, nobody else does! Since individuals have accumulated wealth by means of fraud, and so entered the leisure class, wealth possessed by that class represents as a whole fraud, the confiscated product of the industrious part of the community.

Of course the obvious criticism here, again, is that while all these qualities of unscrupulousness and chicanery do count in the "game," there is no evidence which permits one to identify the wealthy leisure class with the unscrupulous class whose means of prospering is chicanery—any more than there is reason in the implication that the leisure class includes all those who are interested in the game of ownership. The unscrupulous man is not, by virtue of his unscrupulousness, a member of any class.

With these comments on the attempted differentiation of the wealthy leisure class, let us come to the fundamental distinction drawn between "productive labor" and playing the "game of ownership," which latter occupation takes the more concrete form of "financiering" and directing industry. The direct implication here is that the labor of the lower classes is productive of wealth, while that of the "captains of industry" is competitive predation, a sort of gambling with the confiscated products of the "productive" laborers. If it be asked what it is in the character of the services rendered which seems to warrant the epithets "gaming" and "unproductive," it will be found to lie in two qualities, both of them of vital economic utility, which are more or less clearly indicated in the terms executive ability and foresight, respectively—the ability to manage and to foresee. In the terminology of the leisure class these become qualities of "predation" and "cunning," the one "unproductive," the other "gaming."

It is not difficult to see how the popular impression arises that the labor of management and pre-vision is unproductive, since the tangible commodities which go to make up the sum total of the community's wealth take form, are literally produced in the hands of manual laborers. The shoe manufacturer does not handle a pair of shoes, has no knowledge of the technical processes which would enable him to "produce" a single pair, *ergo*, how can his labor be called productive?

In the very same sense, it must be answered, that any labor at all is productive, namely, that it results in the production of

something which would not have been produced without it, in this case, of shoes. Productive or unproductive, the labor which the manufacturer performs is exactly the same sort of labor that is performed by every workman in his factory, only it is of a higher order; that is to say, it is economically more productive, in the sense that it results in more tangible commodities being turned out than does the labor of the ordinary workman. The labor of every workman employed in his factory is labor—rather than an epileptic fit or a spasm—exactly because it is intelligently trained to the accomplishment of a selected end, to wit, the production of a shoe. If we single out the intelligence which directs the labor, and say of it that it is unproductive, we have left as “productive” labor only such involuntary spasmodic reactions as can result in the accomplishment of no teleologically selected end whatever; but, if labor is productive because it is intelligently directed, and if, not the hand of the workman alone, but that hand directed by his individual intelligence—in other words, the workman himself as a man, not the hand as a hand—labors productively, then that intelligence which directs the workman in the exertion of his intelligence is in a higher sense still a productive intelligence, and the individual exerting it in a higher sense a productive laborer. The possession of wealth is the possession of power—not always to consume the wealth, but always to direct the investment of labor. Upon the wise exercise of this power depends the material prosperity of the community, and the penalty for inefficient misdirection is loss of all economic power whatever. Clearly, therefore, the distinction between productive labor and labor which directs and financiers, cannot be maintained, since no labor is more productive in any sense than that which directs other labor—in leisure class terminology, “exploits” it—to the achievement of economic ends. All labor is in the last analysis teleologically directed physical energy. The quality of “productiveness” depends altogether upon the intelligence back of it, and this whether that directing intelligence lie within the workman himself, or in some “captain of industry.”

Exercise of the quality of foresight more especially than that of executive ability alone, gives rise to the impression that those who exercise it are engaged in a game of chance. Here too, a grain of truth carries weight and gives piquancy to a line of reasoning which is mainly sophistical. The financier, the captain of industry, the man of wealth, do engage in a game in which they take risks, venture stakes, and compete with one another, in the effort to win; but the game in which they are conspicuous players is one in which society as a whole wins or loses with them. Success in this game depends, in a large measure, upon the exercise of foresight which enables one to correlate present action with a future more or less remote. This future is a purely fictitious one, constructed out of present conditions—a perspective of present conditions and tendencies, upon the correct analysis of which accuracy in any special case depends. The ability correctly to analyze constitutes the quality of foresight. Where the motive to any given line of action is obscured to the ordinary observer by the complexity of conditions, the action appears to him to be taken arbitrarily. The man who carries his analysis of present conditions farthest, appears to those who carry their analysis less far to be a gambler, since the motives which actuate him lie without the ken of those whose sense of events is less keenly developed.

For a half century it has been the intent of socialism to reduce wealth to terms of labor measured in time, to deny the service of the wealthy class of industrial captains, altogether. In Marxian philosophy the capitalist is a "robber," and this terminology seems quite consistent with that adopted—possibly without invidious intention—in the *Theory of the Leisure Class*, where the "captain of industry" is made out to be a man in whom predatory instincts have survived and developed. The quintessence of such socialism is clear—labor alone produces; *ergo*, to labor alone the product belongs. But the truth is labor *alone* does not produce. The obvious inference is that since it does not it cannot, and if labor cannot produce *alone*, that something required to make it productive should have—at

least it can legitimately demand and take—its reward, even as it does.

This something for which society pays such a high price is the direction and management of industrial processes, and the keenness of industrial competition gives the only assurance society can have that this function comes in the long run to devolve upon those most competent to exercise it. In the industrial hierarchy executive ability dominates technical skill, which in turn dominates physical strength and endurance. Every quality having an economic bearing has its economic value as accurately determined as may be in its earning efficiency. The ability to direct, to solve concrete problems, and to understand the requirements of conditions commands a high wage in the industrial labor market, because it is rare and because upon it depends the success or failure of any undertaking, the payment of wages, and the preservation of wealth itself. As the organization of industry becomes more complex, and the necessity for correctly forecasting the future more urgent, and withal more difficult, such ability comes to command a higher premium in the open market.

The author's line of argument with regard to the ownership of property and the institution of a leisure class may be briefly resumed as follows: The incentive to accumulate wealth was the invidious character of the distinction which its possession conferred, and this invidious character arose from the fact that such possession under the "predatory culture" was an insignia of "ferocity" and "cunning," of success in war and in the chase. Under the conditions imposed by the predatory habit of life these qualities were of real economic serviceability to the community. Under modern industrial methods they have lost their serviceability. The possession of wealth, however, still remains an insignia of the predatory traits of character. It is not, then, in its insistence upon the invidiousness of the distinction conferred by wealth, but in its insistence upon this archaic, uneconomic basis upon which the invidious character is made to rest, that the highly original feature of the *theory of the leisure class* lies. If the ownership of wealth is an insignia today

of real economic efficiency and service, its invidious character rests upon real merit, not upon an archaic, uneconomic inheritance, and the "invidious distinction" becomes a just award of honor. The argument reduces itself to the simple statement that there is honor attaching to the possession of wealth, owing to inherited predatory habits of thought in the worshipers, although the private ownership of wealth does not confer any economic good upon the community, nor signify traits of character in the possessors which are economically beneficial at the present time. These traits were of economic efficiency under barbarian culture of predation, since they insured success in war and in the exploitation of peoples subjugated.

The above is necessarily an incomplete and unconvincing summary, which does not recite the evidence brought forward nor go into any full detail of analysis. It is, however sufficiently detailed to make clear the obvious inconsistency running through the whole train of reasoning, which makes the acquisition and possession of wealth dependent upon qualities of character which are economically inefficient. Simply stated, the argument runs that the man who cannot produce wealth acquires and keeps it, and we are not told how this miracle is performed. The explanation, of course, is that *the miracle is not performed*.

So far as possible in the present paper the terminology employed in the *Theory of the Leisure Class* has been retained, and this is quite essential, since the author seems to rely upon his selection of epithets—such epithets as "invidious," "predatory," "atavistic," "arrested" (development), "barbarian," "savage," "archaic," "ferocious," "astute"—to convey his own attitude of mind, and often covertly to convey the really essential point of his argument. All these epithets are in themselves deprecatory, and the oft-repeated declaration that they are not intended to be so, carries little weight. The distinction which wealth confers is "invidious" or "honorific;" the character of the wealthy class "predatory" and "ferocious" where it is energetic, and its charity and humanitarianism is "atavistic," due to "arrested development," or "reversion" to

the pre-predatory, quasi-peaceable, savage type of character; its success in accumulating wealth is due to qualities developed under predatory barbarism, not to economic efficiency; its conservatism is "archaic;" its ability, "astuteness," "fraud," "unscrupulousness," "cunning."

It would be entirely unfair to the author of the *Theory of the Leisure Class* to accept these epithets with their usual connotation, since they seem not to be so used here. The author is clearly an apologist in his employment of invectives, and, as has been already observed, not infrequently insists that he has no intention to deprecate. But disregard of the ordinary significance of words used is nevertheless carried so far as to suggest a lack of frankness—an attitude of mind, rather than a clear expression of opinion.

Such a use of terms is misleading, if the writer sincerely does not wish to convey moral or æsthetic judgments. The terminology of moral philosophy cannot fail to carry moral connotations of ethical judgment, and the use of obviously ethical terms without any declared ethical significance suggests a sophistry which amounts almost to duplicity. No one has a right to employ ethical terminology, or terms conveying in themselves moral or æsthetic judgments, as though no such judgments were necessarily involved in their selection. A simple denial of all such intent, especially when the denial follows long disquisitions wherein there is a consistent selection of invidious epithets, cannot efface these connoted judgments from the mind of the reader; while the consistency characterizing the selection of the epithets argues a conscious purpose on the part of the author to convey exactly those judgments which are so perfunctorily denied. All scientific writing suffers from these undefined—even indefinable—connoted significations in its terminology, and it is essential to accuracy and clearness to put the reader on guard by careful definition of the sense in which each term is employed. The reader cannot easily correct the pervading psychic influence of common ethical terms and reconstruct a "morally colorless" definition of them.

It might seem ungracious and unwarrantable to dwell at such length upon a matter of terminology if the author of the *Theory of the Leisure Class* had not displayed such consummate cleverness in a consistent selection of epithets conveying in themselves covertly, but none the less really, an ethical damnation of social institutions which cannot be disregarded. The denials of intent to express ethical judgments—which no less consistently follow the employment of ethical terms—may ward off criticism, but they do not correct the impression created nor conduce to clearness of exposition. Such consistent inconsistency is at least bewildering. If there were less consummate cleverness displayed, one would feel less disposed to criticise. It is the cleverness itself, the sophistry consistently maintained that bears witness to a more or less conscious intent on the part of the author, and itself elicits criticism. The author of the *Theory of the Leisure Class* is clearly a master of sophistical dialectic.

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